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THE WHITE HOUSE

. WASHINGTON

77-343

January 24, 1977

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

As part of our commitment to the American people, we have pledged that their tax dollars will be used effectively to meet the primary goals of the American people. To honor that pledge, our first priority must be a review of the budget. We must do what we can to assure that the 1978 budget stimulates economic activity and helps put the unemployed to work, while keeping a lid on inflation.

We are planning to send a revised 1978 Budget to the Congress in mid-February. I ask each of you to make a prompt review of the budget requests sent to the Congress by the previous Administration. Director Bert Lance of the Office of Management and Budget is providing you with suggestions on program areas that are likely candidates for budget revision. Because we need to act quickly, it will generally be necessary to limit changes to programs covered by the policy guidance or to extension of existing programs as specified by the Congress in its actions on the 1977 Budget.

As you undoubtedly recognize, this quick review process falls far short of our plans for subsequent budget reviews To give the Congress time to fully consider our views, we must forego our preferred approach of a comprehensive review of all programs, with emphasis on longer-range budgeting.

Despite these drawbacks, I believe that a great deal can be accomplished now. I urge each of you to give your personal attention and full cooperation to this endeavor.

Timmy Carter

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